

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7702

BILL NUMBER: HB 1276

DATE PREPARED: Jan 3, 2001

BILL AMENDED:

SUBJECT: Economics requirement.

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FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill requires school corporations to offer economics advanced placement courses in secondary schools. It provides that a student must complete at least one academic year's studies in economics to receive an academic honors diploma.

Effective Date: July 1, 2001.

Explanation of State Expenditures: For FY 2000-2001, Public Law 273-1999 appropriated from the state General Fund, \$598,050 for the Advanced Placement Program. Current Indiana law requires that school corporations provide the College Board's science and math advanced placement courses. In accordance with this bill, school corporations would also be required to offer the College Board's economics advanced placement course. The state impact of providing the test could be \$300,000 per year.

The bill would also require one year of economics studies to receive an academic honors diploma. (Currently one semester is required.) For the 1999-2000 school year, 12,326 honors diplomas were awarded. The CY 2001 Tuition Support Formula provides funding of \$925 per honors diploma granted for the 1999-2000 school year. (A total of \$11,401,550 was awarded for CY 2001.)

The one year of economics requirement might reduce the number of honors diplomas granted and therefore would result in a savings in tuition support to the state. Any savings would revert to the state General Fund.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: If the requirement of a year of economics studies reduces the number of honors diplomas awarded by schools, then schools will experience a reduction in the honors diploma grant

portion of the tuition support formula. The tuition support formula currently provides \$925 per each honors diploma grant from the previous school year.

State Agencies Affected: Department of Education.

Local Agencies Affected: School corporations.

Information Sources: DOE SAS Data Sets.